

Philanthropy bridges the generational gap

Whether you are part of the “Silent Generation” (born between 1925 and 1945), a “Baby Boomer,” “Generation X,” or “Millennial,” there are opportunities to participate in philanthropy. What “givers” have in common is their desire to invest in their communities and make a difference in the lives of others, either through donations of time, money, or both. At Mesirow, we have found that many of our clients share our values around charitable giving, so we thought we would share some ideas with you that our clients have shared with us.

Generational trends in philanthropy

Every generation is shaping the philanthropic landscape in their own way, making a difference in the lives of others. In addition, the generations are also influencing each other’s views on philanthropy. We are beginning to see that parents’ and grandparents’ focus on giving appears to have a significant impact on the values of younger generations, and that younger generations’ use of technology is being adopted by their elders.

Silent generation and baby boomers

Since the silent generation are in retirement and baby boomers are in or near retirement, they are generally able to quantify how much monetary support they can provide, and if retired, can often commit more time to charity than they could in their full-time working years.

What else can these two generations do?

- Pass down their values regarding philanthropy to multiple generations so that when those generations inherit estate assets, the values associated with those assets continue.
- Incorporate philanthropic aspirations into estate plans with the help of their wealth advisor and estate planning attorney.
- Be smart about how they donate based on recent tax reform. The change in annual charitable deductions have created the need for more strategic planning around monetary charitable gifting.

Generation X

Question: How does a parent pass along the values of philanthropy to their children? Answer: The earlier you start the better.

“When we teach youth about philanthropy and fundraising we are not only building future philanthropists, but also empowering youth to see themselves as leaders and agents of change.”¹ Adolescence is an optimal time to learn skills that facilitate civic engagement. At this stage of personal and social development, youth are actively engaged in the process of identity exploration and formulating a cohesive identity, which involves a deeper understanding of self, social relationships and society, and deciding which values held by society, will be accepted as one’s own.²

Ideas to engage the next generation in philanthropy, regardless of their age:

- Participate in community events as a family – no matter how old your children are, you can create family traditions around giving. For example: every summer your family could spend one Saturday a month helping a local charity build care packages for those in need, paint, garden, or provide food. Or, every Thanksgiving your family could give thanks by helping serve a Thanksgiving dinner at the local community center.
- Lead by example – share your stories with multiple generations within your family. Let them know how your work ethic includes earning an income, saving, investing for the future, and also giving back. Someday, when they inherit, you’ll want them to inherit your values as well as your assets. Your children may know your legacy, but your grandchildren may not.

Millennials

Millennials may have a strong desire to give, but are often faced with the challenge of paying off college debt, starting a new

career, supporting a family, and building their wealth. So realistically, charitable giving may not yet be about making a donation but about giving time.

How can millennials invest their time beyond participation in community events?

- Social media – People who are 49 years old and younger are nearly twice as likely to use social media than those aged 65 and older.³ The ability to post, share, like and promote charitable causes and events can have a huge impact without a monetary outlay. And, web access makes it easier for friend and connections to contribute online.
- Board membership – Many nonprofit organizations have affiliated boards for younger individuals, referred to as Associate, Auxiliary or Young Professionals boards. Many “junior” boards make a significant impact in fund raising, recruitment, and education. What better way to start the process of active participation?

Focus your efforts

There are a wide variety of charities and causes that need your help! Pick one that is meaningful to you and where you can make a difference. A recent study identified these philanthropy themes and top 10 locales for giving:⁴

- Arts and Culture
- Education
- Environmental and Animals
- Health (Chicago area named in top 10)
- Human Services (Chicago area named in top 10)
- International Affairs (Chicago area named in top 10)
- Religion
- Society Benefit

Everyone’s approach to philanthropy differs, and should play an integral part in your financial plan. Ask your Mesirow wealth advisor how best to incorporate your philanthropic values and legacy into your plan.

Published April 2023

1 <https://jyd.pitt.edu/ojs/jyd/article/view/255/241>

2 <https://www.pewinternet.org/2018/03/01/social-media-use-2018-appendix-a-detailed-table/>

3 <https://www.fidelitycharitable.org/content/dam/fc-public/docs/insights/the-future-of-philanthropy.pdf>

4 <https://www.wealthmanagement.com/philanthropy/top-us-cities-giving/gallery?slide=1>

Mesirow does not provide legal or tax advice. Past performance is not indicative of future results. The views expressed above are as of the date given, may change as market or other conditions change, and may differ from views expressed by other Mesirow associates. This is not a solicitation to buy or sell the securities mentioned. Do not use this information as the sole basis for investment decisions, it is not intended as advice designed to meet the particular needs of an individual investor. Information herein has been obtained from sources which Mesirow believes to be reliable, we do not guarantee its accuracy and such information may be incomplete and/or condensed. All opinions and estimates included herein are subject to change without notice. This communication may contain privileged and/or confidential information. It is intended solely for the use of the addressee. If you are not the intended recipient, you are strictly prohibited from disclosing, copying, distributing or using any of the information. If you receive this communication in error, please contact the sender immediately and destroy the material in its entirety, whether electronic or hard copy. This material is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security.

Mesirow refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow name and logo are registered service marks of Mesirow Financial Holdings, Inc. ©2023, Mesirow Financial Holdings, Inc. All rights reserved. Any opinions expressed are subject to change without notice. Past performance is not indicative of future results. Advisory Fees are described in Mesirow Financial Investment Management, Inc.’s Form ADV Part 2A. Advisory services offered through Mesirow Financial Investment Management, Inc. an SEC registered investment advisor. Securities offered by Mesirow Financial, Inc. member FINRA and SIPC.

